

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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May 20, 2003

FROM: **JOHN D. GOSS**, Assistant County Administrator
 Economic Development and Public Services Group

SUBJECT: **WORKSHOP ON COUNTY FIRE FINANCING STUDY**

RECOMMENDATION:

1. Accept report by Emergency Services Consulting inc. (ESCi) on the San Bernardino County Fire Department Financing Study, April, 2003, as on file with the Clerk of the Board.
2. Direct staff to develop a comprehensive action plan addressing the financing issues of Board-governed fire districts for future consideration by the Board, to include further development of the following recommendations listed in the report or on any other areas the Board may direct during the workshop:
 - A. Incorporate a means of determining appropriate standard levels of service for the urban, developing, and rural areas of the County as well as lands in public ownership, as mentioned on page 43 of the report, as part of any financing concept for the fire districts whether under a combined district or separate districts concept. Although the consultant recommends a citizens committee to accomplish this task, staff would recommend a combination of public members and representatives of the Board of Supervisors offices, CAO office, and County Fire Department to ensure a variety of perspectives and expertise. Determining standard service levels is key to determining basic fire service costs.
 - B. Fully develop the concept of a single "Combined District," as indicated on pages 40-42 of the report, that would consolidate the governance and administrative functions of the County Fire Department to provide more flexibility in allocating financial resources throughout the Department and allow for more ease in constructing revenue alternatives for funding the service levels currently provided.
 - C. Examine ways to control or reduce expenditures in the districts, including an examination of the equipment replacement schedule recommended by ESCi for each district to determine if this cost can be deferred or redesigned to avoid short-term funding crises in specific districts.
 - D. Explore the potential for contracting with other public and private agencies for provision of structural fire protection and/or emergency medical response services, as indicated on page 42 of the report, including examining a "managed competition" approach to providing fire suppression services. This latter approach would involve the special districts which make up County Fire and outside public and/or private entities "bidding" on providing fire service to specific areas.
 - E. Develop funding recommendations for the "Unfunded Fire Protection Area" of the County.

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- F. Define the scope and timing for independent special tax elections in those Board-governed districts unable to maintain their current levels of service through 2010/11, as summarized on pages 16-17 of the report, as an alternative to the development of a single combined district as mentioned in A., above.
- G. Explore the potential for additional funding sources such as ambulance rates, non-resident emergency response fees, and additional grants as discussed on pages 18-34 of the report.
- H. Explore with LAFCo developing a City/RDA expansion fiscal impact analysis on future annexations to insure adequate funds/pass-throughs to the County Fire Department.
- I. Explore the potential for implementing a development impact fee, including a review of current practices in the County's 24 cities as well as other counties, as recommended on pages 21-22 of the report.

BACKGROUND INFORMATION: On February 26, 2002, the Board, in response to growing concerns by the County Administrative Office and County Fire Department regarding the financial stability of numerous Board-governed fire districts, approved a request for proposals (RFP) for a financing study of the County Fire Department and its related special district operations. The RFP process resulted in the Board awarding a contract for this study on June 11, 2002 to ESCi, a national consulting firm specializing in fire, police, communications, and emergency management services.

ESCi consultants have worked closely with representatives of this office and County Fire during the intervening months to complete the study. The resultant product is a compendium of 32 separate analyses of Board-governed fire operations, including a general overview and discussion of each district, a financial history from 1990-91 through 2001-02, and financial projections from 2002-03 through 2010-11. Each district discussion is also accompanied by the consultant's recommendations with respect to financing the current level of service through 2010-11. The district discussions are individually identified by Tabs 3-34 of the report, and constitute a base reference point for the Board in understanding the history and expenditure/revenue trends for each district in the County Fire Department.

The Executive Summary and Report are identified by Tabs 1 and 2, respectively. These sections include a discussion of the overall findings by ESCi as well as recommended options the Board may wish to consider in addressing the findings. The consultants have defined a significant looming revenue shortfall facing the County Fire Department, which they allude to as a "\$83 million gorilla" by fiscal year 2010-11. It is the intent of the workshop to allow for a full discussion of the consultant findings and recommendations, as well as an opportunity for the Board to provide direction to staff for further analysis and/or recommendations leading to future Board action on the subject.

Approval of Recommendation #1 would formally accept the written report prepared by ESCi, as on file with the Clerk of the Board, as well as an oral presentation and discussion of the report by the ESCi consulting team.

Approval of Recommendation #2, as may be amended by the Board during the course of the workshop, would provide specific direction to staff to further refine specific recommendations made by the consultant for consideration by the Board at a future date.

REVIEW BY OTHERS: This item has been coordinated with the County Fire Department (Chief Peter Hills) on May 9, 2003.

FINANCIAL IMPACT: None.

SUPERVISORIAL DISTRICTS: All

PRESENTER: John Goss, Assistant County Administrator, 387-4900, ESCi Consultants (Joe Parrott and Conrad Kristensen).